



PRESS RELEASE

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Houston Sex Trafficking Ring Leader Gets Life in Federal Prison

A woman behind a 14-defendant sex trafficking ring operating in Houston has been ordered to federal prison for life, announced U.S. Attorney Kenneth Magidson for the Southern District of Texas along with Special Agent in Charge Perrye K. Turner for the FBI Houston Division, Special Agent in Charge Brian Moskowitz of Immigration and Customs Enforcement – Homeland Security Investigations (ICE-HSI) and Special Agent in Charge Richard Goss of IRS-Criminal Investigation (CI).

A federal jury convicted Hortencia Medeles-Arguello aka Raquel Medeles Garcia, Raquel Medeles Garcia or Tencha, 68, on April 24, 2015, following a 10-day trial and approximately four hours of deliberations. She was convicted on all counts - conspiracy to commit sex trafficking, conspiracy to harbor aliens, aiding and abetting to commit money laundering and conspiracy to commit money laundering.

This landmark sex trafficking case is one of the most significant in scope and magnitude to be tried to a verdict of guilty on all counts and one of the few in which as many as 12 victims of an international sex trafficking scheme came forward to testify at trial. Twelve victims rescued in connection with this case testified at trial regarding the horrors of their ordeals, beginning with being recruited in their home countries, only to be forced into prostitution against their will in the United States. Some victims were as young as 14 when the traffickers recruited them, using fraud and false pretenses to lure them into the traffickers' control.

"The importance of this case cannot be underscored," said U.S. Attorney Magidson. "These were human beings – women and children – who were treated as a commodity. They came from their home countries hoping for a better life, only to be enslaved and forced into unspeakable acts. This is a local, national and international issue, but also a humanitarian issue. We will continue to take action against these egregious offenders and seek to obtain the stiffest penalties in order to send a clear message that human trafficking will not be tolerated in this district."

Today, U.S. District Judge David Hittner for the Southern District of Texas, who presided over the trial, handed Tencha a sentence of life in federal prison. At the hearing, additional testimony from six of the victims was also presented. They asked the judge to punish the defendant for the impact she had on their lives.

In addition, 15 real properties and other assets for a value of about \$2.5 million will be forfeited to the United States having been found to have been purchased with sex trafficking proceeds. The funds will be used to make restitution to the victims of this horrible crime.

"Let this sentence send a message that lives are not to be bought and sold," said Special Agent in Charge Turner. "The Human Trafficking Rescue Alliance (HTRA) seeks to rescue those forced into this

modern day slavery and hold accountable those who wish to profit from the abuse of others. If you have information about human trafficking, we urge you to contact the National Human Trafficking Hotline at 1-888-373-7888.”

“Investigations and the subsequent criminal prosecution like this one highlight the significant collective and collaborative efforts of law enforcement agencies in greater Houston that are involved in the fight against human trafficking,” said Special Agent in Charge Moskowitz. “This should also serve as a warning to all individuals and criminal groups involved in the trafficking of minors and women that we are determined to expend the resources necessary to investigate and prosecute to the full extent of the law all that are involved in this heinous crime.”

Testimony revealed that pimps recruited the young girls by convincing them they were in love, making threats to their families as well as threatening the girls themselves. Testimony revealed Tencha knew that many of the girls prostituted at her establishment were either underage or victims of the beatings by their pimps.

On the first full day of trial, the jury heard from one of the victims in the case. She detailed the horrific conditions she faced at the hands of the defendant and others, to include being forced into having sex at age 14 after she had come to this country in search of a better life. She described how she was forced to comply with demands at gunpoint and locked in a room. She was eventually impregnated by a “customer” and was moved to another area of the bar because she was not worth as much once she became pregnant. Following the move, she found a way to escape with the help of a customer who had befriended her.

“Today’s sentencing closes the book on a heinous criminal organization that profited from exploiting innocent women and minors in the worst possible way,” said Special Agent in Charge Goss. “IRS special agents are committed to dismantling the financial infrastructure of criminal enterprises of this nature and removing any financial incentive to exploit innocents.”

Evidence at trial indicated that Tencha made more than \$1.6 million in a 19-month period by supplying the upper floor of her cantina for prostitution. The evidence further revealed that many of the prostitutes were either minors or forced to engage in sex acts at the defendant’s bar. The jury heard that Tencha had engaged in harboring illegal aliens, many who were forced into prostitution for more than 13 years.

She will remain in custody pending transfer to a U.S. Bureau of Prisons facility to be determined in the near future.

All of Tencha’s co-defendants who were in custody have pleaded guilty for their respective roles in the conspiracy. Many admitted they worked for Las Palmas II, a cantina located in Houston. They all knew the cantina concealed, harbored and shielded illegal aliens who worked there from detection by law enforcement and that the owners were profiting from such concealment. As part of their employment, they aided in the operation of the business and their conduct substantially facilitated the concealment, harboring and shielding of the employees and patrons of the Las Palmas II, whom they all knew were illegally in the United States. Other co-defendants pleaded guilty to helping Tencha keep track of the monies she made, including investing it in properties she purchased in the Houston area.

Abel Medeles aka Chito, 67, Tencha’s brother, operated the Las Palmas II parking lot. It was part of his job to notify his co-conspirators inside the cantina of any law enforcement presence he observed in order for his co-conspirators to be able to conceal from law enforcement the illegal activities in the Las Palmas II. Similarly, on at least one occasion, Odelia Hernandez, 47, Tencha’s sister, told co-conspirators to lock the doors when she realized law enforcement was coming. Medeles was sentenced to 55 months and ordered to pay a \$2,000 fine, while Hernandez received a sentence of 66 months and must pay a \$1500 fine.

Eduardo Guzman Gonzales aka Miguel Rojas or El Pantera, 33, and Alberto Mendez Flores aka Ardilla, 27, managed the cantina. They paid Tencha \$20,000 each week out of the money received from the operation of the Las Palmas II and kept all the monies received in excess of that amount. Both men received sentences of 88 months in federal prison.

Jose L. Uraga aka Wicho, 36, provided false/fraudulent identifications to employees, to include females working at Las Palmas II and was sentenced to 28 months. Jorge Antonio Teloxa-Barbosa aka Eli, 31, testified at trial to his part in the conspiracy. He also managed the cantina with Guzman and Mendez and paid Tencha \$20,000 each week out of the money received from the operation of Las Palmas II, keeping all the monies received in excess of that amount. He received a sentence of 37 months.

Graciela Medeles Ochoa, 37, Tencha's daughter, assisted Tencha in counting the proceeds obtained from Las Palmas II. She also negotiated cashier's checks for her mother and sister, Delia Diaz, 51. The money used to obtain the cashier's checks came from the sex trafficking violations occurring at Las Palmas II. Ochoa, who also testified about her mother's unlawful conduct, was sentenced to 18 months. Diaz received 71 months for money laundering. Another of Tencha's daughters, Diana Medeles Garcia aka Diana Garcia Marquez, 50, testified that her mother had been running brothels since she was 13 years old. She received 21 months for aiding and abetting to harbor illegal aliens.

Guadalupe Valdez Lugo aka Lupe, 58, worked as a manager at Las Palmas II, overseeing the female workers as well as the regular employees. She also testified at trial about Tencha's unlawful conduct and received a sentence of 25 months as well as a \$5,000 fine.

Another of Tencha's sisters, Lilia Medeles Cerda aka Lilly, 66, received a sentence of 52 months for conspiracy to harbor illegal aliens. Talat Crippin aka Chacho, 27, who was married to one of Tencha's granddaughters pleaded guilty to being a lookout for Tencha's brothel and received 41 months.

David Garcia, 46, Techa's son, was convicted of aiding and abetting to harbor illegal aliens and will be sentenced next month.

Another defendant, Alfonso Diaz-Juarez aka Ponco or El Grenas, 45, and a Mexican national, is a fugitive and a warrant remains outstanding for his arrest. Anyone with information about his whereabouts is asked to contact the FBI at 713-693-5000. A Clear Channel Outdoor digital billboard campaign launched in December across the greater Houston area touted an up to \$50,000 reward for information leading to the location and arrest of Diaz-Juarez.

The investigation leading to the filing of criminal charges was the result of a three-year investigation conducted by members of the HTRA in Houston, which includes the FBI, ICE-HSI, Harris County Sheriff's Office, IRS-CI, Texas Alcoholic and Beverage Commission, Department of State, Texas Department of Public Safety and the Houston Police Department.

Assistant U.S. Attorneys Ruben R. Perez and Joe Magliolo are prosecuting the case.

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